

**COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)**

(Incorporated in Malaysia)

Financial Year End : 31 March 2015

Quarter : First Quarter

Quarterly report on results for the 1st quarter ended 31 March 2015. These figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter 31.03.2015 RM'000</u>	<u>Preceding Year Quarter 31.03.2014 RM'000</u>	<u>Current Year To Date 31.03.2015 RM'000</u>	<u>Preceding Year To Date 31.03.2014 RM'000</u>
Revenue	67,742	59,254	67,742	59,254
Cost Of Sales	(47,900)	(45,844)	(47,900)	(45,844)
<b>Gross Profit</b>	<b>19,842</b>	<b>13,410</b>	<b>19,842</b>	<b>13,410</b>
Other Income	972	470	972	470
Distribution Costs	(5,854)	(4,822)	(5,854)	(4,822)
Administrative Expenses	(4,351)	(4,396)	(4,351)	(4,396)
Finance Costs	-	-	-	-
<b>Profit Before Taxation</b>	<b>10,609</b>	<b>4,662</b>	<b>10,609</b>	<b>4,662</b>
Income Tax Expenses	(2,598)	(1,249)	(2,598)	(1,249)
<b>Profit After Taxation</b>	<b>8,011</b>	<b>3,413</b>	<b>8,011</b>	<b>3,413</b>
<b>Other Comprehensive Income</b>				
- Exchange Translation	100	30	100	30
<b>Total Comprehensive Income</b>	<b>8,111</b>	<b>3,443</b>	<b>8,111</b>	<b>3,443</b>
Profit Attributable To:				
- Equity Holders Of The Company	8,011	3,413	8,011	3,413
Total Comprehensive Income Attributable To:				
- Equity Holders Of The Company	8,111	3,443	8,111	3,443
<b>Earnings Per Share Attributable To Equity Holders Of The Parent</b>				
: Basic Earnings Per Share (Sen)	4.67	1.99	4.67	1.99

Notes :

The Condensed Financial Statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

**COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS OF 31 MARCH 2015**

(These figures have not been audited)

	<b>As At End Of Current Quarter (Unaudited) 31.3.2015</b>	<b>As At Preceding Financial Year (Audited) 31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	136,871	139,137
Investment	1	1
	<u>136,872</u>	<u>139,138</u>
<b>Current Assets</b>		
Inventories	33,226	38,165
Trade Receivables	48,461	51,359
Tax Recoverable	153	575
Other Receivables, Deposit & Prepayment	3,184	1,103
Fixed Deposit With Licensed Bank	205	205
Short Term Deposit	40,995	16,065
Cash & Bank Balances	10,023	15,024
	<u>136,247</u>	<u>122,496</u>
<b>TOTAL ASSETS</b>	<u><u>273,119</u></u>	<u><u>261,634</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share Capital	85,800	85,800
Share Premium	44,355	44,355
Revenue Reserves	96,074	88,063
Exchange Translation Reserves	213	113
Total Equity	<u>226,442</u>	<u>218,331</u>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	7,641	7,640
	<u>7,641</u>	<u>7,640</u>
<b>Current Liabilities</b>		
Trade Payables	24,953	22,711
Other Creditors & Accruals	10,358	10,527
Current Income Tax Liabilities	3,725	2,425
	<u>39,036</u>	<u>35,663</u>
<b>TOTAL LIABILITIES</b>	<u>46,677</u>	<u>43,303</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>273,119</u></u>	<u><u>261,634</u></u>
Net Assets (NA) Per Share (RM)	1.32	1.27

**COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<---Non Distributable--->			<--Distributable-->	
	Share Capital	Share Premium	Exchange Translation Reserve	Retained Profit	Total
<b>3 months ended 31 March 2014</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2014</b>	85,800	44,355	110	77,299	207,564
Foreign currency translation differences			30	-	30
Total comprehensive income	-	-	-	3,413	3,413
<b>As at 31 March 2014</b>	<u>85,800</u>	<u>44,355</u>	<u>140</u>	<u>80,712</u>	<u>211,007</u>
<b>3 months ended 31 March 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2015</b>	85,800	44,355	113	88,063	218,331
Foreign currency translation differences			100	-	100
Total comprehensive income	-	-	-	8,011	8,011
<b>As at 31 March 2015</b>	<u>85,800</u>	<u>44,355</u>	<u>213</u>	<u>96,074</u>	<u>226,442</u>

**COCOALAND HOLDINGS BERHAD (Co. No. 516019-H)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW****FOR THE 3 MONTHS ENDED 31 MARCH 2015**

(These figures have not been audited)

	<b>Cumulative Current Year To Date 31.03.2015 RM'000</b>	<b>Cumulative Preceding Year To Date 31.03.2014 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Income Taxation	10,609	4,662
Adjustments for:-		
Impairment of slow moving inventories	122	-
Impairment of receivables no longer required	(429)	(298)
Impairment of receivables	315	657
Depreciation of property, plant and equipment	2,578	2,635
Unrealised loss /(gain) on foreign exchange	214	34
Gain on disposal of property, plant & equipment	-	(16)
Property, plant and equipment written off	-	5
Interest income	(185)	(56)
Operating profit before working capital changes	<u>13,224</u>	<u>7,623</u>
Decrease / (Increase) in inventories	4,817	(1,049)
Decrease / (Increase) in receivables	717	(1,133)
Increase / (Decrease) in payables	<u>2,073</u>	<u>(7,666)</u>
Cash generated from operations	20,831	(2,225)
Interest received	185	56
Tax refunded	1	-
Tax paid	(1,021)	(1,136)
<b>Net Cash Generated From / (Used In) Operating Activities</b>	<b><u>19,996</u></b>	<b><u>(3,305)</u></b>
<b>Cash Flow From Investing Activities</b>		
Investment in subsidiary companies	-	(167)
Purchase of property, plant and equipment	(309)	(854)
Proceeds from disposal of property, plant and equipment	-	16
<b>Net Cash Used In Investing Activities</b>	<b><u>(309)</u></b>	<b><u>(1,005)</u></b>
<b>Net Cash Generated From / (Used In) Financing Activities</b>	<b><u>-</u></b>	<b><u>-</u></b>
Net Change in Cash And Cash Equivalents	19,687	(4,310)
Effects of Exchange Rate changes	242	72
Cash And Cash Equivalents At Beginning Of The Period	<u>31,294</u>	<u>23,882</u>
<b>Cash And Cash Equivalents At End Of The Period *</b>	<b><u>51,223</u></b>	<b><u>19,644</u></b>

**\* Cash & cash equivalents consists of:**

Fixed deposit with licensed banks	205	456
Short term deposits with licensed banks	40,995	10,177
Cash and bank balances	<u>10,023</u>	<u>9,011</u>
	<b><u>51,223</u></b>	<b><u>19,644</u></b>

**Part A: Explanatory Notes In Compliance With Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia**

**A1. Accounting Policies and Basis Of Preparation**

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting in Malaysia issued by the Malaysian Accounting Standards Board and with paragraph 9.22 and Appendix 9B of the of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the Group’s audited financial statements for year ended 31 December 2014.

The audited financial statements of the Group for the year ended 31 December 2014 were prepared in accordance with MFRS.

There are no new MFRSs or interpretations that are effective for the first time in this quarter that would be expected to have a material effect of the Group.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statement for the year ended 31 December 2014.

**A2. Qualification of Financial Statements**

The audited report of the preceding annual financial statements was not subjected to any qualification.

**A3. Seasonal or Cyclical Factors**

The Group’s business operation results were not materially affected by any seasonal or cyclical factors.

**A4. Nature and Amount of Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

**A5. Nature and Amount of Changes in Estimates**

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2015**A6. Dividend Paid**

There was no dividend paid during the quarter under review (2014: nil).

**A7. Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial quarter.

**A8. Segmental Reporting**

The Group's segmental report for the current financial period ended 31 March 2015 is as below:-

	<b>Individual 1<sup>st</sup> Quarter</b>		<b>Cumulative 1<sup>st</sup> Quarter</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Group – by business segment :-</u>				
<u>Net revenue</u>				
Manufacturing	51,870	49,450	51,870	49,450
Trading	45,167	36,954	45,167	36,954
Investment holding	-	-	-	-
Less: Inter-segment revenue	(29,295)	(27,150)	(29,295)	(27,150)
<b>Total consolidated revenue</b>	<b>67,742</b>	<b>59,254</b>	<b>67,742</b>	<b>59,254</b>
<u>Segment result</u>				
Manufacturing	4,350	1,300	4,350	1,300
Trading	6,005	3,600	6,005	3,600
Investment holding	(162)	(178)	(162)	(178)
Add: Elimination	416	(60)	416	(60)
<b>Total consolidated profit before tax</b>	<b>10,609</b>	<b>4,662</b>	<b>10,609</b>	<b>4,662</b>

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2015

	As At Current Year Quarter RM'000	As At Preceding Year Quarter RM'000
<u>Group – by business segment :-</u>		
<u>Segment assets</u>		
Manufacturing	208,024	213,803
Trading	104,811	91,648
Investment holding	139,562	134,308
Less: Elimination	(179,278)	(192,138)
Consolidated total assets	273,119	247,621
<u>Segment liabilities</u>		
Manufacturing	143,062	146,702
Trading	41,238	40,828
Investment holding	556	578
Less: Elimination	(138,179)	(151,494)
Consolidated total liabilities	46,677	36,614

Segmental reporting by geographical location has not been prepared as the Group's operations are substantially carried out in Malaysia.

**A9. Valuations of Property, Plant and Equipment**

The property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation and impairment losses. There was no revaluation of property, plant and equipment for the current quarter and financial year to date.

The valuation of property, plant and equipment of the Group has been brought forward without amendment from the financial statements for the year ended 31 December 2014.

**A10. Subsequent Material Events**

There were no material events subsequent to the reporting period up to 22 May 2015 (latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statement for the quarter under review.

**A11. Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current financial quarter under review.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2015**A12. Contingent Liabilities or Contingent Assets**

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2014.

**A13. Capital Commitments**

The outstanding amount of capital commitments as at 31 March 2015 are as follows:-

	RM'000
Property, plant and equipment :- - Approved and contracted for	839

**A14. Significant Related Party Transactions**

The Group has the following significant transactions with the related parties during the periods:-

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Prepare, package, pack and deliver Fraser and Neave Limited group of companies' products :- - Sales - Purchase of ingredients*	3,675 546	2,969 490

*\* The purchase of ingredients are exclusively used for the preparing of the Fraser and Neave Limited group of companies products.*

The above transactions had been entered into in the ordinary course of business on normal commercial terms with Fraser and Neave Limited group of companies. These transactions are within the ambit of the mandate approved by the shareholders of the Company on 18 June 2014.



**Part B: Additional Explanatory Notes In Compliance With Listing Requirements Of The Bursa Malaysia Securities Berhad**

**B1. Review of Performance**

For the review of 3-month result, the Group posted revenue of RM67.7 million, an increase of 14% over the corresponding quarter of the preceding year which registered RM59.2 million.

For the current year to date, the Group's profit before taxation increased by 128% to RM10.6 million as compared to the previous corresponding period. This was mainly due to higher profit margin sales mix. The increase in profit before taxation was also partly due to higher gain on foreign exchange and lower impairment of receivable.

The performance of the major segments of the Group is summarized as follows:-

Manufacturing segment

Manufacturing segment experienced an increase in revenue which was mainly due to the increase in trading volume from its Contract Manufacturing Business of hard candy production line. Profit before taxation was higher as compared to its previous corresponding period. It was attributed to lower advertisement expense incurred and lower impairment of receivables.

Trading segment

Trading segment registered higher growth in revenue due to higher demand of gummy and snack from overseas market. Higher profit before taxation as compared to its previous corresponding period was mainly due to higher gain on foreign exchange.

**B2. Comparison with Immediate Preceding Quarter's Results**

	<b>Current Year Quarter RM'000</b>	<b>Immediate Preceding Quarter RM'000</b>	<b>Difference %</b>
Revenue	67,742	72,650	-6.7%
Profit before taxation	10,609	13,062	-18.8%

Group's revenue of RM67.7 million for the current quarter recorded a 6.7% decrease over the immediate preceding quarter mainly due to weaker demand in gummy from overseas market. Profit before taxation for the current quarter was RM10.6 million, as compared with RM13.0 million recorded in the preceding quarter, a decrease of 18.8% mainly attributable to lower sales revenue generated and high product exhibition and promotion cost incurred.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2015**B3. Commentary On Prospects**

The Board is optimistic of achieving satisfactory result in the financial year ending 2015 based on implementation of existing business plans. However, lower retail spending by local consumers will be expected after April 2015 as a result of GST implementation due to expected price increases of some certain goods and services. The Board and management will monitor proactively the changing economic dynamics and take appropriate actions to meet these challenges.

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit estimate previously in any public document.

**B5. Income Tax**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> RM'000	<u>Preceding Year Quarter</u> RM'000	<u>Current Year To Date</u> RM'000	<u>Preceding Year To Date</u> RM'000
<b>Income tax:</b>				
• Current period estimate	2,597	1,249	2,597	1,249
• Prior year	-	-	-	-
<b>Deferred taxation :</b>				
• Transferred to/(from) deferred taxation	1	-	1	-
	<u>2,598</u>	<u>1,249</u>	<u>2,598</u>	<u>1,249</u>

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 22 May 2015 which is not earlier than 7 days from the date of issue of this quarterly report.

The Company has on 22 May 2015 received a non-binding indicative letter of offer from Navis VII Management Company Ltd (on behalf of Navis Asia Fund VII, LP) for the proposed acquisition of Cocoaland Industry Sdn Bhd, L.B. Food Sdn Bhd, B Plus Q Sdn Bhd, Cocoaland Retail Sdn Bhd, Lot 100 Food Co Ltd, CCL Food & Beverage Sdn Bhd together with the assets and liabilities of Cocoaland Holdings Bhd ("Offer"), the Board of Directors have deliberated and resolved to turn down the Offer.

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2015**B7. Group Borrowings**

The Group's borrowings (all denominated in Ringgit Malaysia) as at the end of the reporting quarter are as follows:-

	As At 31.3.2015 RM'000	As At 31.3.2014 RM'000
<b>TOTAL BORROWING</b>	-	-

**B8. Material Litigation**

There was no material litigation at the date of this quarterly report.

**B9. Dividend Payable**

No interim dividend has been declared for the current quarter under review (31 March 2014: nil)

**B10. Earnings per share**

The earnings per share for the quarter and cumulative year to date are computed as follows:-

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
Profit for the period (RM'000)	8,011	3,413	8,011	3,413
Weighted average number of ordinary shares of RM0.50 each ('000)	171,600	171,600	171,600	171,600
Basic earnings per share (sen)	4.67	1.99	4.67	1.99
Diluted earnings per share (sen)*	N.A.	N.A.	N.A.	N.A.

\* *The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.*

**COCOALAND HOLDINGS BERHAD** (Co. No. 516019-H)Quarterly Unaudited Results Of The Group For The 1<sup>st</sup> Quarter Ended 31 March 2015**B11. Supplementary Information on the breakdown of realised and unrealised profits or losses**

The following analysis of realized and unrealized retained profits is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31.3.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	132,689	126,123
- Unrealised	(8,002)	(9,031)
Less: Consolidation adjustments	(28,613)	(29,029)
<b>Retained profit as per financial statement</b>	<b>96,074</b>	<b>88,063</b>

**B12. Profit before tax is stated after charging/(crediting) :-**

	Current Year Quarter RM'000	Preceding Year Quarter RM'000
Interest income	(185)	(56)
Interest expense	-	-
Depreciation of property, plant and equipment	2,578	2,635
Property, plant and equipment written off	-	5
(Gain)/loss on disposal of property, plant and equipment	-	(16)
Bad debt written off	-	-
Bad debt recovered	-	-
Impairment of receivables	315	657
Impairment of receivables no longer required	(429)	(298)
Loss/(gain) on foreign exchange		
- realized	(350)	(283)
- unrealized	214	(34)

By Order Of The Board

**Tai Chun Wah**

Executive Director

Dated: 25 May 2015